

FISCAL NOTE

HB 2065 - SB 2698

March 13, 2002

SUMMARY OF BILL: Specifies that reappraisals must be accomplished by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period in any county having a population in excess of 800,000 according to the 2000 or any subsequent federal census (Shelby).

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$800,000

Estimate assumes:

- an increase in state expenditures for the costs to the Division of Property Assessments to complete the required third year update for the affected county. The third year update is required in localities re-appraising on a six-year cycle. Currently, Shelby County is on a four-year reappraisal cycle and an update is not required.
- an increase in local government expenditures related to an increase in appeals during the six-year reappraisal cycle. The costs include value analysis, postage expenses and appeal defenses.
- a decrease in local government revenues due to equalization of centrally assessed utilities and locally assessed personal property. A 1% loss in equalization is estimated to result in a decrease in local government revenues exceeding \$800,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being more prominent and the last name "Davenport" following in a similar style.

James A. Davenport, Executive Director